

VZCZCXRO7520  
PP RUEHBC RUEHDE RUEHDIR RUEHKUK  
DE RUEHIT #1016 3320642  
ZNY CCCCC ZZH  
P 280642Z NOV 07  
FM AMCONSUL ISTANBUL  
TO RUEHC/SECSTATE WASHDC PRIORITY 7702  
INFO RUCNIRA/IRAN COLLECTIVE

C O N F I D E N T I A L ISTANBUL 001016

SIPDIS

SIPDIS

LONDON FOR GAYLE; BERLIN FOR PAETZOLD; BAKU FOR HAUGEN;  
DUBAI FOR IRPO

E.O. 12958: DECL: 11/27/2017

TAGS: [ECON](#) [PREL](#) [IR](#) [TU](#)

SUBJECT: IRANIAN CARS HIT TURKISH ROADS: "BUSINESS AS  
USUAL" IN THE AUTOMOTIVE IMPORT BUSINESS

Classified By: DPO Sandra Oudkirk; Reason 1.5 (d)

¶1. (SBU) According to Turkish press accounts, MYS Otomotive, a Turkish automotive distribution company, has begun to sell Iranian-made cars throughout Turkey. Partnering with Iran's Khodro Company (IKCO), one of the Middle East's largest car companies, MYS Otomotive is selling two Khodro models: the "Samand", a mid-sized sedan "westernized" to come with such modern amenities as ABS, air conditioning, car alarm, and CD/MP3 player, and the "Sarir", a limousine version of the Samand. The recommended asking price for the Samand is 17,000 Turkish lira (about \$15,000). MYS Otomotive has distributed Samand cars to about 20 dealerships throughout Turkey.

¶2. (SBU) On November 26, we called MYS Otomotive's Chairman, Sukru Seskir, to seek more details about his company's deal with IKCO. Seskir confirmed press reports that his company's sales target for the next 12 months is to sell 3,000 Samands. If there is demand for more, he is prepared to import more. He said the process of working with the GOT's Ministry of Industry to secure approval and import licenses took about eighteen months, which he said was about the same length of time it took him to get a similar import deal for Romanian cars approved, suggesting the GOT treated this import deal as a case of "business as usual."

¶3. (SBU) Seskir said that negotiating the deal with IKCO was no better or worse than negotiating with a Turkish company. He has no plans for any joint automotive production with IKCO. Beyond importing these models, MYS Otomotive does sell car parts to IKCO, but that is the extent of his plans for cooperation. Seskir was reluctant to describe the terms of his deal with IKCO. He acknowledged, however, that plans to bring Turkish journalists to IKCO's car manufacturing plant in Iran were proving difficult because a number of Turkish journalists were worried that travel to Iran might jeopardize their chances for obtaining a U.S. visa in the future. Seskir proposed that his son, a company junior executive who had studied in the U.S., serve as a contact point for the Consulate if we have follow-up questions. Consulate Istanbul Iran watcher will follow-up in coming weeks to assess how well the Samand is selling in Turkey and whether MYS Otomotive plans to increase its imports.

¶4. (C) Comment: Notwithstanding the relatively small size of this deal, it is clear that both the GOT and MYS Otomotive consider importing cars from Iran to be "business as usual", and see no connection between such imports and the international community's efforts to pressure the Iranian regime to cease its destabilizing policies in the region. Considering that Peugeot, Renault, and Volkswagen also have (much bigger) deals with IKCO, and considering the commercial presence in Iran of such car companies as Hyundai, Mercedes, Kia, Mazda, Citroen, Nissan, and Volvo, it may be worth

exploring the relative merits of working within the international community to target the automotive industry in Iran as a useful point of leverage against the Iranian regime. As one Iranian expat recently told Consulate Istanbul's Iran Watcher: there is no quicker way to upset an Iranian than to take away his car. End comment.

WIENER